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EXCERPT OF THE
INDUSTRY FORUM
CONSISTING OF THE
QUESTION-AND-ANSWER SESSION
FOR THE SNAKE CREEK PROJECT
PRESENTED BY THE
ARMY CORPS OF ENGINEERS

WEDNESDAY, JUNE 22, 2005

CITY OF MIRAMAR
COUNTY OF BROWARD
STATE OF FLORIDA

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21

□

2

1

EXCERPT OF PRESENTATION

2

QUESTION-AND-ANSWER SESSION

3

(The following questions were

submitted by

4

Mr.

the audience in writing and read hereafter by

5

Zgabay.)

6

taxes?

Q

Does the developer pay property

7

yes, on this

A

The answer to that question is,

8

installations

EUL site. Unlike our main military
where

9

other

we are providing police, fire protection, and

10

the case

infrastructure needs. However, that's not

11

taxes.

here. So this will be subject to real estate

12

examples of

Q

The second question is, provide

13

in-kind services that have been acceptable.

14

A

How wide is your imagination.

15

roads,

In-kind services can be paving

16

putting roofs on buildings, building

buildings. We

17 are getting many more innovative things that
we are

18 seeing in our proposals.

19 Some of these will be driven by the
20 installation. The installation will say,
this is my

21 need today. This is what I want. And then I
will ask
□

3
1 you to fill that.

2 To get down any narrower than that
is really

3 tough, but building buildings, doing
operation

4 maintenance, providing repairs, those are the
types of

5 things that we will be looking for.

6 Q Okay. Our next card has three
questions on

7 it.

8 The first one is, how much square
footage

9 can be built on this site?

10 A Well, we are going to look to you
to tell us

11 that as you plan, as you look at your
tenancies, as

12 you lay the site out.
13 we think that we have a pretty
efficient
14 site. We don't have a lot of issues here and
so, you
15 know, working within your tenancies, we are
going to
16 want to meet some setback requirements on
these
17 buildings.
18 You may, you know, want to look at
your
19 tenancy and see who your tenants are, and
then we will
20 go from there. So right now, as we work into
the
21 business and lease plan and as you do your
due
□
2 diligence, that will be determined.
2 We don't want to overburden the
site, but we
3 want to maximize the site and get the highest
return
4 that we can, but remember, we do want an
attractive
5 campus-like setting for the development, not
a sea of

Q & A's industry forum.txt
6 concrete.

landowner 7 Q The second question is, will the
the lease 8 help with the entitlement process prior to
9 execution?

10 A Yes. We will work hand in hand
with you on 11 the business and lease plan and bring all the
12 resources we can to help that process. We
want it to 13 be efficient. We want it to move quickly.
We want to 14 get the lease signed.

15 And, you know, as developers, time
is money 16 for you, and time is money for us too, so we
want to 17 get this project moving as quickly as
possible, and we 18 will work hand in hand with you.

19 Q And the last question is, what
tenants will 20 not be allowed?

21 A All Quada.

□

5
1 (Laughter ensued.)

2
security risks A We have a list of potential
3 that we will include in our business and
lease plan as
4 we work with you.
5 Again, what we want are people that
are not
6 going to provide a security risk. We want to
make
7 sure that we are protecting the safety and
all the
8 fortification issues necessary for the
National Guard
9 and at the same time be good neighbors to the
10 properties around us. So we are open to
tenancies.
11 We would like to see private-sector tenants.
12 Our major concern is security, and
we do
13 have a list of the types of tenants that
would not be
14 acceptable. You will find that I don't think
many of
15 those are on your list anyway probably.
16 Q Okay. Following that same thought,
the next
17 question says, discuss any use restrictions
or

the land 18 approvals needed by Florida National Guard on

19 for tenants.

our 20 A In all our projects and in all of

review 21 leases, we have made provisions to be able to

□ 22 6 the tenants who are coming into the project.

not 23 2 We state very clearly that we will

typically in 24 3 unreasonably withhold any tenancies, but

tenancies that 25 4 our lease, we will list those types of

want to 26 5 arise that are unacceptable to us, but we do

to use 27 6 review, we do want to know how you are going

we are 28 7 the land and who is going to come there, but

29 8 not going to be overly restrictive.

profitable and to 30 9 We want the project to be

handling our 31 10 work for you while, at the same time,

32 11 security integrity.

surface a 33 12 Q Okay. The next card brings to the

13 discrepancy in the dates that we have. In
the NOL, it
14 says that the proposals are going to be due
on
15 September 1. And in your booklet, it says
that the
16 proposals are going to be due August 1.
17 A Proposals are due on August 1st.
we
18 apologize for that misstep.
19 Thank you for picking that up for
us.
20 August 1st is the date for proposals. I
don't think
21 we can get the proposals on September 1st and
give you
□
7
1 the answer on September 6th.
2 Typically, we put out about 30 days
from the
3 industry forum. This is about six weeks for
those
4 proposals to be in.
5 Q And the second part of his question
is, can
6 a ground lease be for longer than 50 years or
have
7 options to renew or extend?

8 A Let's see. People who have been
showing up
9 at varieties of conferences, the NAID
conference a
10 couple weeks ago in Denver, people were
talking about
11 the VA looking at potentially 60- to 70-year
leases.
12 The Air Force made some comment about 60-year
leases.
13 My position is, we are doing 50
years. The
14 market has accepted it. The lenders have
accepted it.
15 And if I start pushing the envelope to go
beyond 50
16 years, then I am going to have a question
from the
17 Department of Defense asking me why this
property is
18 not in excess of our needs, and I should be
selling
19 it.
20 So I have authority now for
approval from
21 the Secretary of the Army to do 50 years, and
it is
□
8
1 working, so our plan is not to change that.

Q & A's industry forum.txt

Gallant. 2 Q Okay. This may be one for Colonel
training 3 Can you provide details on your
4 facility?
5 A I think I can.
6 As I said earlier today, this week,
we are 7 going for our charette process to come up
with the 8 conceptual design for our training facility
that we 9 want on the lower half of the Snake Creek
property. 10 It looks like now it is going to be
about a 11 75,000 square foot training facility, armory,
if you 12 will, with an admin. trans. base, a large
drill hall. 13 It may also have a 15,000 to 20,000
square 14 foot maintenance shop of some sort. There
will also 15 be some other training facilities that we
will add to 16 the property, an office, of course, probably
some main

17 training, and probably a couple of other
buildings for

18 simulator-type facilities.

19 But by the end of this week, we
will have

20 the lay down by square foot for all the types
of

21 facilities that we are going to require on
our portion
□

9
1 of the property, and we can probably post
that to the

2 website when it becomes available.

3 Q When can we get that?

4 A Maybe by the end of this week we
will wrap

5 up. Right now, we are in the second day of
the

6 charette up in Saint Augustine.

7 So we have someone now working
through the

8 numbers, and they have to validate it. Once
we get

9 all our authorizations lined up for
approvals, we will

10 be able to get position to put something out
there.

11 There was a second part to the
question I

12 answered just before that. That was, will we
13 entertain options on the lease.
14 We structure our lease that says
that
15 options are available at the discretion of
the Army,
16 so if I build the option years directly into
the lease
17 and leave it open, then I really have done
more than a
18 50-year lease, so we put it in at the
discretion of
19 the Army. And the developer does have a
right to come
20 in and ask for those options.

21 Q This next question is for Colonel
Gallant.

10
1 It simply says, share the vision of
the Army
2 for the facility. Describe the armory
facility.

3 A As I touched on earlier, what this
is going
4 to be, it is an armory. We call them
readiness
5 centers now, because they are the places
where our

in the 6 soldiers get ready to go overseas and engage
is a 7 war on terrorism, but what we are looking for
like now, 8 facility about 75,000 square foot, it looks
it and two 9 that will house a battalion headquarters on
in the 10 companies, infantry rifle companies, probably
11 13th Army.

12 So what we do is, we look at the
one of 13 authorization, the authorized space that each
14 these units generates.

15 We put that together and have an
architect 16 and an engineer develop the best plans how to
fit 17 these units together with all the space they
have 18 authorized and then develop the best
available 19 facility for us.

20 When it comes to the table with a
conceptual 21 design, we'll hand that packet off to whoever
the

□

11
1 developer is that is selected, and we will
rely on the
2 developer to go forward with the 100-percent
design
3 and eventual construction of the facility.
4 If you are wondering about the type
of
5 facilities that we build in Florida, we built
a
6 \$40-million armory facility in Pinellas Park.
That's
7 the type of facility we are looking at.
8 Certainly, the facade of the
building will
9 be different to fit into the Miramar motif,
but we
10 develop and then we build world-class
facilities for
11 our soldiers.
12 Q I think we have one more that is
still
13 talking about the design.
14 It says, need to know availability
of
15 conceptual design by Corps of Engineers.
16 A Yeah. I don't think we get into
that until

17 we select the developer and/or conclude the
18 negotiations, but certainly we will have 10
percent of
19 our conceptual design here within a few --
well, we
20 will have the numbers crunched out in the
next week,
21 but then I think we have John Eckert three
weeks
□
12
1 before they turn the charette around to give
us the
2 report, so in about a month we will have our
good
3 draft conceptual report.
4 I am not sure if we are going to
make that
5 available to everyone or how we are going to
do it
6 from there, but we will be on our way, you
know,
7 realizing the concept of what we want to do
with our
8 portion of the development anyway.
9 Q I guess it is probably important to
clarify,
10 that's part of the in-kind consideration and
not a
11 required component for you all to submit in

the

12 proposal.

13 A Right.

the

14 Q Okay. Our next question, what is

15 estimated appraised value of the property?

appraised the

16 A We don't know. We have not

17 property at this point.

And we

18 we look at the does-it-float test.

negotiate

19 will appraise the property, but we don't

20 appraisals. We negotiate price.

at your

21 So what we are going to do is look

□

concepts

13

1 development plan, we are going to look at the

maximum

2

you bring, we are going to look at the

and we are

3

capacity of the site, the prime potential,

4

doing residuals just like you do.

as we go

5

We use Argus all the time. And so

look at

6

through the business and lease plan, we will

Q & A's industry forum.txt

7 your business model and we will work with
ours and we

8 will come up with the rent that is
appropriate for the

9 site.

10 Q And this is our last question.

11 what is the availability of GIS and
CADD

12 data for the site from the county or city?

13 A I believe they have that on line.
I believe

14 you can go on the Broward County website and
get most

15 of that data.

16 Some of the local people will be
able to

17 tell us, but they have the CADD information
on there

18 through the property assessor's office and
through

19 their planning office.

20 We will also check with the county
and

21 clarify that and post it out on the website
as part of

□

14

1 our Q and A.

2 Q Does anybody have any additional
written
3 questions?
4 Okay. Let's open it up then for
some of
5 those. Let's make sure we get a microphone
over to
6 them before we start.
7 We have a question right here.
8 (The following questions were taken
from
9 unidentified persons in the audience.)
10 Q My question is, is that all of us
are
11 subject to the city of Miramar municipal site
plan
12 approval process and building permit process
or will
13 the Army Corps govern in that area?
14 A We have told the city of Miramar
that we are
15 going to be good neighbors, because this
property is
16 sitting there in the middle of their
community, that
17 we are going to work closely with them and
allow them
18 to bring their permitting process into play.

19 Q The second question is, is the
government

20 willing to subordinate any land lease?

21 A No. The government does not
subordinate any
□

15
1 land lease in any instance.

2 We have found, though, that the
lending

3 community is experienced with our leases now
and

4 understand that. So they treat us just like
they

5 treat the taxed authority. They just make
sure we get

6 paid first.

7 Q Any other questions?

8 A Yes.

9 Q The city of Miramar building
permit, will

10 the Blast setback standards apply to this, or
is that

11 not the case in this instance?

12 A You know, that's a great question.

13 Our position in the Army has been,
since we

14 are building the buildings, we are building

on

15 military installations, that we should be
forced to

16 protect the standards.

17 Now, we understand if we are
working on

18 these projects early in the game that we can
take care

19 of those provisions through careful planning
and using

20 setback requirements.

21 You know, I am still thinking
through that

□

16
1 on this particular site, given the nature of
it and

2 where it is located.

3 However, if you bring the federal
tenancy,

4 federal tenant into the project, they are
going to

5 meet those standards.

6 So I would think about those as we
go

7 through the business and lease plan. I think
as you

8 begin doing your pre-marketing, looking at
the tenants

part of 9 that are coming in, I would weight that in as

10 your plan.

11 Q Other questions?

minds how to 12 It is all crystal clear in your

13 write that proposal now, is it?

of you 14 A One thing that we would like to ask

to us, 15 is, if you are planning to submit a proposal

know. 16 would you please go on the website and let us

need for 17 That helps us plan for the amount of time we

18 our source selection board, how long we need

19 facilities.

way, will 20 The source selection board, by the

the oral 21 be held in Saint Augustine, and that's where

□ 17
1 let you presentations will be done, so I wanted to

2 know that ahead of time.

to start 3 If you want to make -- if you want

4 making your hotel reservations and getting

prepared

5 for orals, you can do that. You know where
to go.

6 Q Do you have a date?

7 A No. It will be somewhere between
the --

8 somewhere around -- since we are meeting
August 22nd,

9 probably within a week, within that week or
the week

10 after.

11 Q Okay. One question here.

12 Has any agreement been entered into
by the

13 adjacent property owner to the north to
access a road

14 to the east so that you can utilize the
turnpike

15 interchange?

16 A We have not entered into any
agreements with

17 the adjacent property owner. At this point,
the

18 adjacent property owner does know that this
project is

19 taking place, but we have not specifically
entered

20 into an agreement with them.

Q & A's industry forum.txt

other
[
issues.

21 MR. ZGABAY: Okay. If we have no
18
1 questions, I have a couple of housekeeping

2 (whereupon, end of excerpt.)

3

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1 State of Maryland

2 City of Baltimore

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16 As witness my hand and seal this

Q & A's industry forum.txt

30th day of

17 June, 2005.

18

19

20

21

Barbara J. Evans
My Commission Expires

10-01-06

□